

ASC Scenarios

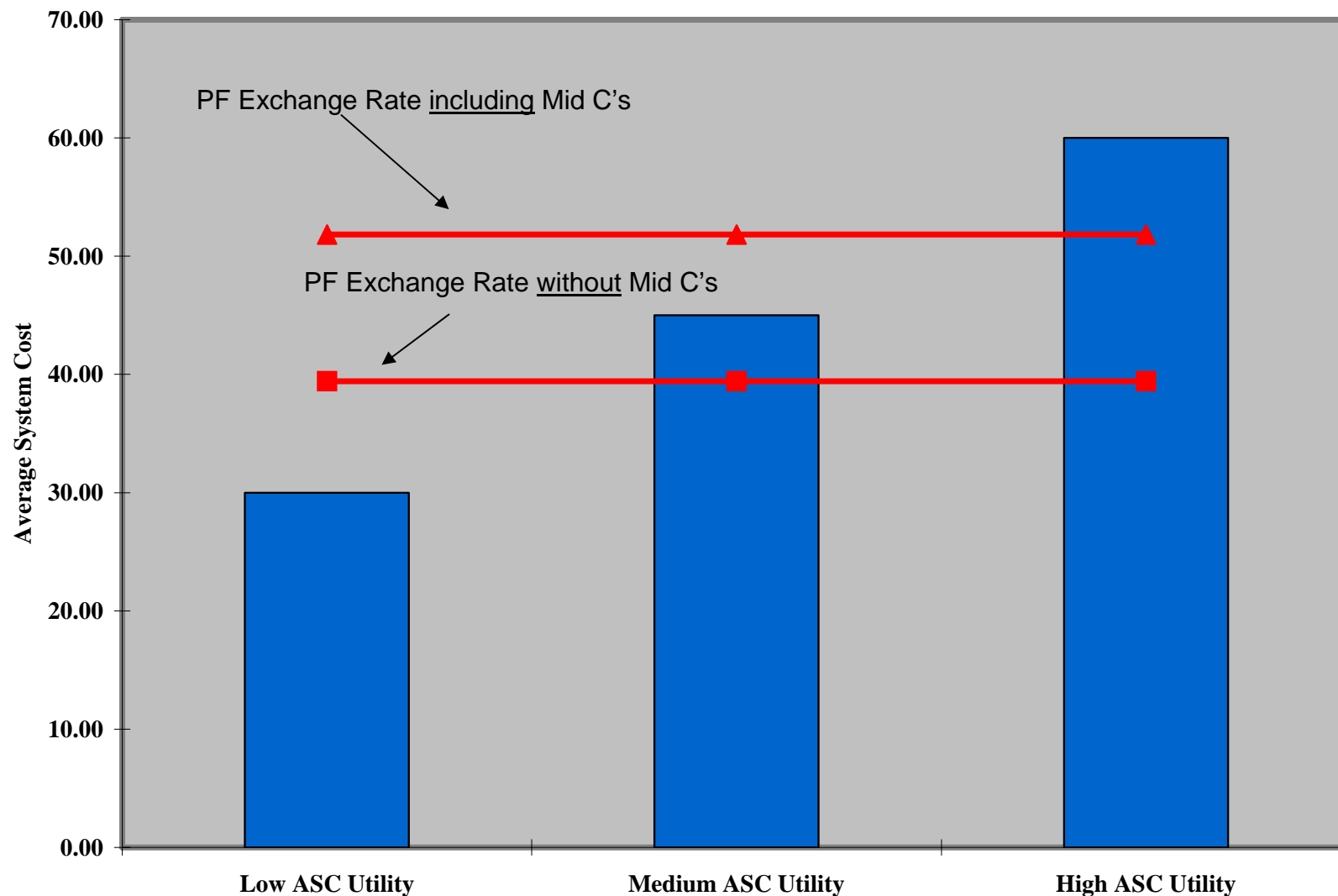
September 10, 2007

Overview

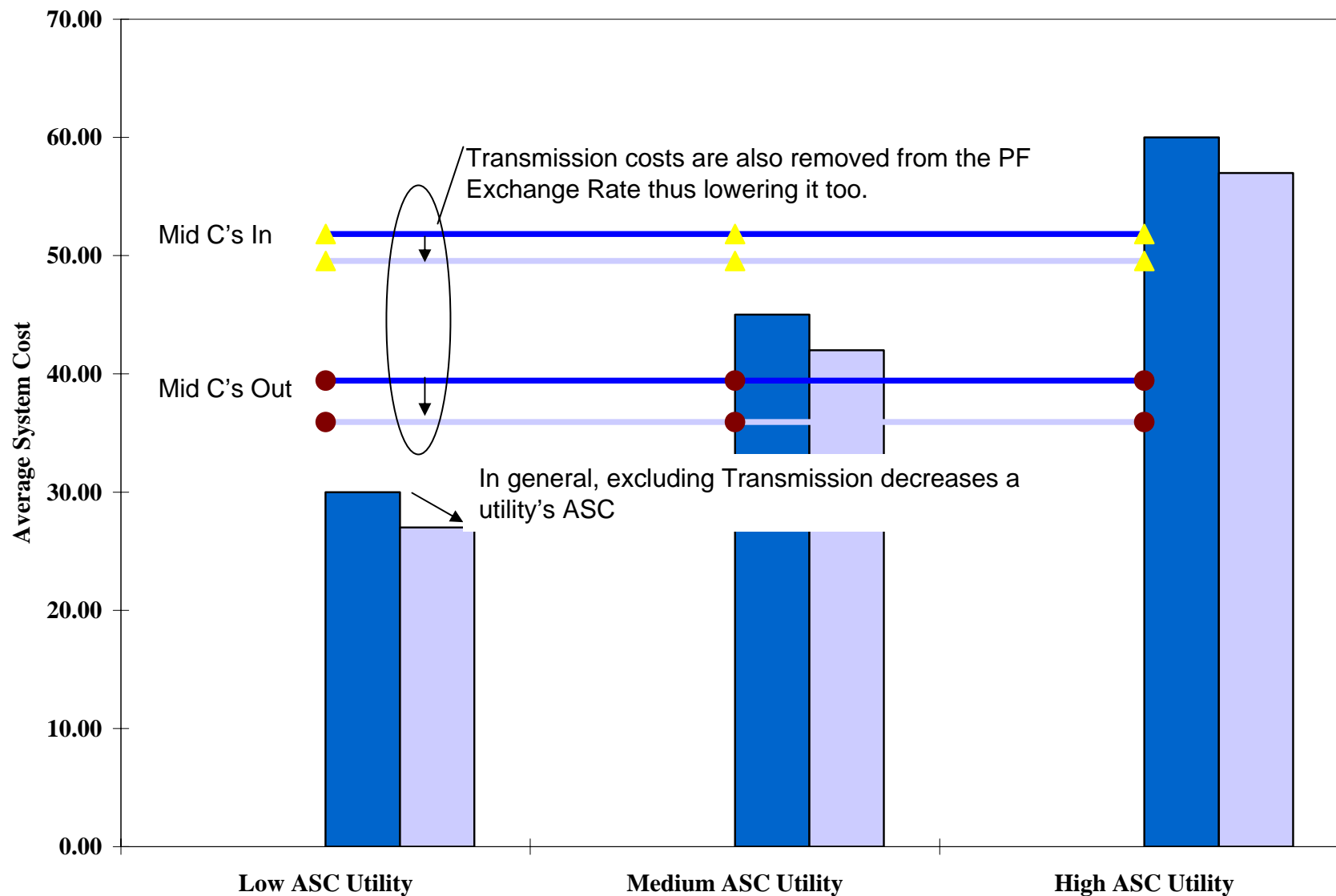
- All else being equal, increasing Average System Costs (ASCs) increases the 7(b)(2) trigger, which in turn causes an increase in the PF Exchange Rate. Therefore, aggregate REP benefits change little with changes in ASCs.
- The relationship between the ASCs and the PF Exchange Rate stays relatively constant, with or without the Mid-Columbia's resources (Mid-C's).
- Changes in loads or changes to the 7(b)(2) rate test assumptions are the drivers of the aggregate REP benefit amounts, not ASC changes.



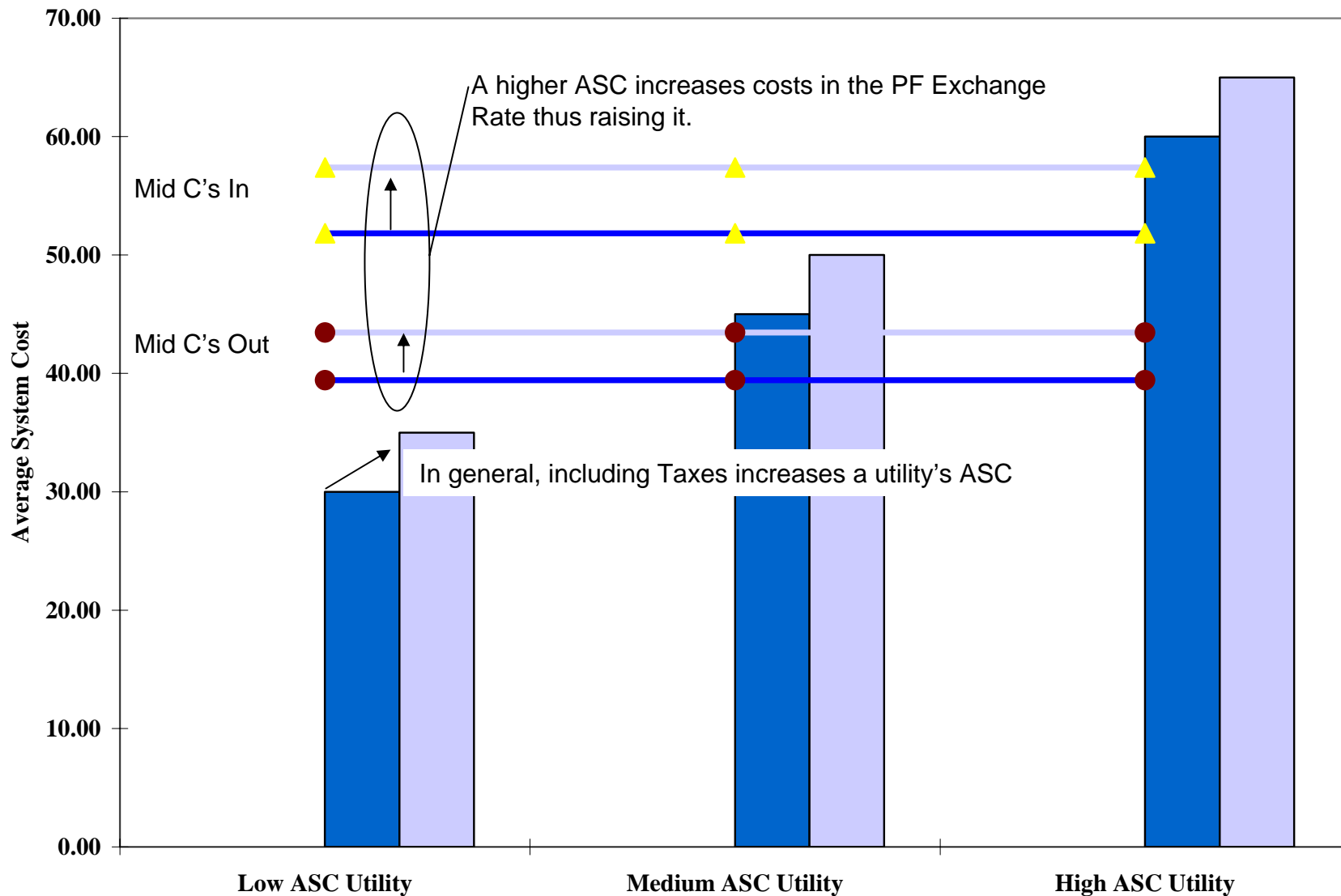
ASC '84 Methodology Levels and the PF Exchange Rate



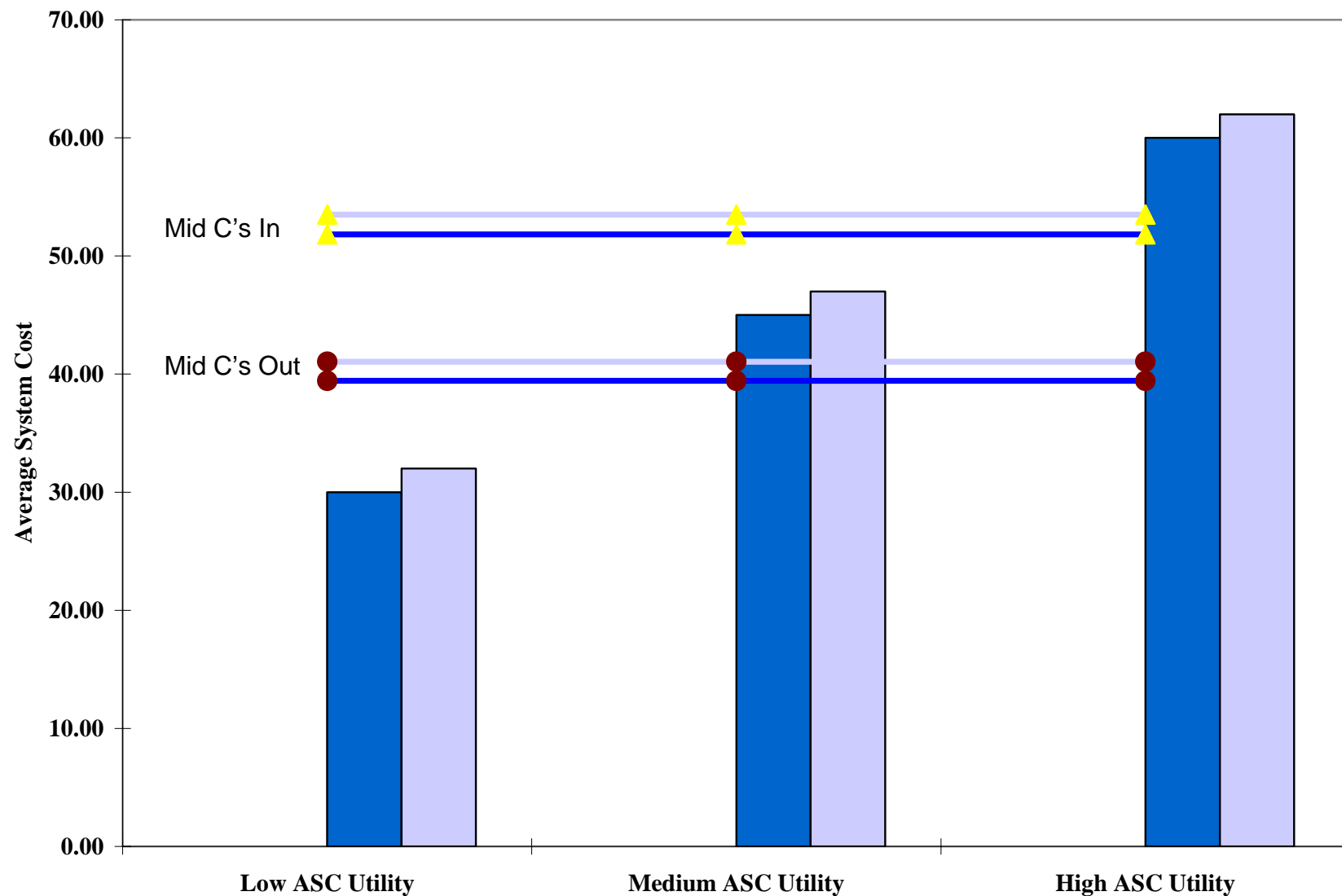
ASC '84 Methodology Levels vs. Transmission Out



ASC '84 Methodology Levels vs. Taxes In



ASC '84 Methodology Levels vs. Equity In



Illustrative FY07-09 Average Net Exchange Benefits

